Compensation for rejected claims of exports

†3870. SHRI BANWARI LAL KANCHHAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

whether Government provides compensation for the rejected claims of export;

if so, the reasons therefor;

whether the amount of compensation has been recovered later from the exporters by the Government; and

if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (d) No compensation is provided by the Government for rejected claims of exports. Hence the question of recovery of compensation does not arise.

Impact of liberalisation and globalisation on Indian trade

3871. DR. K. MALAISAMY:
SHRI N.R GOVTNDARAJAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

what is the major impact on Indian trade in terms of economy and competition due to liberalisation and globalisation;

whether advantages are more or disadvantages are more, and in case of the latter how the situation was faced or is being faced by India; and

by bringing service sector within the purview of Small Scale Industries Sector and business enterprises, what is the marked change which has occurred?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) With the global economy getting increasingly integrated, no economy can remain totally insulated from its impact. The ongoing globalization process coupled with liberalization measures initiated by India has enabled the country to achieve rapid economic growth and high growth in trade. During the Tenth Five-Year Plan, the economy has grown at an annual average of 7.8 per cent, the highest so far for any Plan period. During this period, exports have also consistently grown at more than 20 per cent per annum. Trade as a percentage of GDP has increased from 14.6 per cent in 1990-91 to 22.5 per cent in 2000-01 and 34.9 per cent in 2006-07. India's share in the world merchandise exports increased from 0.5 per cent in 1990 to 1 per cent in 2007. In the liberalized environment Indian manufacturing sector has emerged as the centre of export performance with the engineering goods sector being the prime driver of export growth.

(c) For the first time, the Micro, Small & Medium Enterprises Development Act (MSMED), 2006, has defined service enterprises in India. The Act is envisaged to facilitate this sector to avail the benefits provided/to be provided by the Government under various schemes/ programmes. To capture the data for the Micro, Small & Medium Enterprises.Sector (MSME) as defined under the MSMED Act, 2006, the 4* Census of MSME has been launched

†Original notice of the question was received in Hindi

recently. As such, no specific information is available as yet. However, in general, it is expected that inclusion of service sector would result in higher growth of the MSME sector and consequently facilitate in higher employment generation.

Criteria for investment by foreign companies

3872. SHRI DHARAM PAL SABHARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

the criteria laid down for foreign collaboration agreement filed by Indian companies in all cases of investment by a foreign company;

what is the relevance of such agreement in the case of wholly owned subsidiary of a foreign company in India, and whether such an agreement is required to be filed by wholly owned subsidiaries in any other country in today's dynamic investment world;

whether such collaboration agreements is required to be filed by FIIS;

if so, the details thereof; and

if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) As per the extant regulations notified under the Foreign Exchange Management Act (FEMA), 1999, Indian companies and FIIS are not required to file the foreign collaboration agreement with the Reserve Bank of India (RBI). However, FIIS are required to be registered with Securities and Exchange Board of India (SEBI) before making any investment in India. Remittances for payment of royalty and lumpsum fee are allowed even where the technical collaboration has not been registered with the RBI, provided the payments are in conformity with the prescribed norms.

(b) to (e) Do not arise.

Expansion of trade with Pakistan

3873. DR. T. SUBBARAMIREDDY:
SHRI MATI SUPRIYA SULE:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

whether India is contemplating pruning the sensitive list to expand trade with Pakistan as two most important items which Pakistan has an export interest are textiles and agricultural products;

if so, whether the Indian Council for Research in International Economic Relations study observed that Pakistani exporters feel that India rigorously applies import restrictions in these two categories;

whether any agreement has been reached in this regard; and

if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) No Sir. However, during the